

Framke Greg
Form 4
February 17, 2009

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Framke Greg

2. Issuer Name and Ticker or Trading Symbol
E TRADE FINANCIAL CORP
[ETFC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
02/10/2009

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
Managing Director,CIO

C/O E*TRADE FINANCIAL CORPORATION, 135 E. 57TH STREET

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

NEW YORK, NY 10022

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Common Stock | 02/10/2009 | 02/10/2009 | F ⁽¹⁾ | 55 D | \$ 1.265 | 213,276 | D |
| Common Stock | 02/10/2009 | 02/10/2009 | F ⁽²⁾ | 1,191 D | \$ 1.265 | 212,085 | D |
| Common Stock | 02/13/2009 | 02/13/2009 | F ⁽³⁾ | 816 D | \$ 1.165 | 211,269 | D |
| Common Stock | 02/13/2009 | 02/13/2009 | F ⁽⁴⁾ | 91 D | \$ 1.165 | 211,178 | D |
| | 02/15/2009 | 02/15/2009 | F ⁽⁵⁾ | 445 D | | 210,733 | D |

Edgar Filing: Framke Greg - Form 4

| | | | | | | | | | |
|--------------|------------|------------|------------------|-----|---|-------|---------|---|--|
| Common Stock | | | | | | \$ | | | |
| | | | | | | 1.165 | | | |
| Common Stock | 02/15/2009 | 02/15/2009 | F ⁽⁶⁾ | 889 | D | \$ | 209,844 | D | |
| | | | | | | 1.165 | | | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Framke Greg C/O E*TRADE FINANCIAL CORPORATION 135 E. 57TH STREET NEW YORK, NY 10022 | | | Managing Director, CIO | |

Signatures

/s/ Russell S. Elmer, Attorney-in-Fact
Date: 02/17/2009

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Amount reported reflects shares withheld to pay tax obligation associated with the vesting of 25% of a grant of restricted stock originally awarded on February 10, 2006.

Edgar Filing: Framke Greg - Form 4

- (2) Amount reported reflects shares withheld to pay tax obligation associated with the vesting of 25% of a grant of restricted stock originally awarded on February 10, 2006.
- (3) Amount reported reflects shares withheld to pay tax obligation associated with the vesting of 25% of a grant of restricted stock originally awarded on February 13, 2007.
- (4) Amount reported reflects shares withheld to pay tax obligation associated with the vesting of 25% of a grant of restricted stock originally awarded on February 13, 2007.
- (5) Amount reported reflects shares withheld to pay tax obligation associated with the vesting of 25% of a grant of restricted stock originally awarded on February 15, 2006.
- (6) Amount reported reflects shares withheld to pay tax obligation associated with the vesting of 25% of a grant of restricted stock originally awarded on February 15, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.